


AR12

*Annual Report 1967*



**MIN-ORE MINES LIMITED**





Digitized by the Internet Archive  
in 2023 with funding from  
University of Alberta Library

[https://archive.org/details/MinO0571\\_1967](https://archive.org/details/MinO0571_1967)

# MIN-ORE MINES LIMITED

---

*Head Office*

Suite 1408, 7 King St. East  
Toronto

*Officers*

JAMES B. GOAD  
*President*

MARGARET B. SMITH  
*Secretary*

*Directors*

MAXWELL BRUCE, Q.C.,      Toronto  
FRANK T. CLIFTON,      Toronto  
W. ROSS DEGEER,      Toronto  
JAMES B. GOAD,      Toronto  
WILLIAM A. MORGAN, PH.D.,      Ottawa  
CARL PALANGIO,      North Bay  
S. J. PETTIGREW,      Ottawa  
BRUCE SMITH,      Toronto  
MAURICE C. R. TAYLOR,      Toronto

*Auditors*

HILBORN & COMPANY  
Chartered Accountants  
Toronto

*Transfer Agent and Registrar*

GUARANTY TRUST COMPANY OF CANADA  
Toronto

*Bankers*

BANK OF MONTREAL  
King & Yonge Branch, Toronto

*Shares Listed*

THE TORONTO STOCK EXCHANGE  
THE CANADIAN STOCK EXCHANGE

*Annual Meeting of  
Shareholders*

Wednesday, July 17, 1968  
12 o'clock noon  
Council Chamber, Board of Trade, 11th Floor  
11 Adelaide St. West, Toronto 1, Ontario

# MIN-ORE MINES LIMITED

## REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS:

Your directors are pleased to report the various exploration activities of your company for the year 1967, and up to the date of this report in 1968.

### **Elliot Lake Area, Ontario:**

Shareholders will have received an interim report dated March 8, 1968, setting out details of the additional staking carried out in this potential "uranium country" earlier this year, by your company in association with Atkins Mining Consultants. The operation resulted in the acquisition of a contiguous block totalling more than 844 claims located in Townships 169, 163, 1B, 1C, 1A, U, and 157, Sault Ste. Marie Mining Division. An agreement has now been reached with Atlantic Richfield Company concerning the exploration and development of this whole claim group potentially covering an entire regional ore zone. In brief, the terms of the agreement with Atlantic Richfield are as follows:

#### *Atkins - Min-Ore original block of 419 claims in townships 1A, 1B, 163 and 169*

Title to this block of claims having been proven, an initial payment of \$50,000 will be made by Atlantic Richfield Company to the Atkins - Min-Ore Group. On or before February 15, 1970, Atlantic will pay to the group \$250 each for those claims within this block, which it wishes to retain. Any remaining claims will revert to the Atkins - Min-Ore Group. On or before February 15, 1971, Atlantic will pay the sum of \$100,000, provided it desires to retain any or all of the claims; \$50,000 of this sum will be the final portion of the consideration and \$50,000 will be treated as advance royalty. From then onwards, until mining operations commence, Atlantic will continue to pay an annual advance royalty of \$50,000 to the Atkins - Min-Ore group.

The royalty to be received by the group has been set at 5% of the value of the gross production of ore at the mine, and any advance payments received prior to production will be set against royalties when due.

Apart from meeting the 1968 assessment obligations for the block of 419 claims, Atlantic has agreed to spend a total of \$250,000 for exploratory drilling within 5 years from the date of signing the agreement. This amount may be spent either on the original block of 419 claims or on the remaining block acquired by staking earlier this year. Atlantic Richfield Company has the right to relinquish, at any time, all its interest in the original claim block which will then revert to the Atkins - Min-Ore group.

#### *Atkins - Min-Ore group of 425 claims staked in February 1968*

This block of claims was acquired by the Atkins - Min-Ore group on behalf of Atlantic Richfield Company. For the time being, the title to the claims rests in Min-Ore Mines, which is holding them on Atlantic's account. With regard to this block of claims the Atkins - Min-Ore group will be entitled to an over-riding royalty of 2½ % of gross proceeds from the sale of ore at the mine, if and when mining operations commence.



In addition, the Atkins - Min-Ore group and Atlantic Richfield have established an area of common interest covering the portion of the sedimentary basin north of the southern limits of the presently held claims.

#### *Min-Ore's cash and royalty interest*

Your company's share in the consideration for the original 419 claims will be 75% of the cash payments to be made by Atlantic Richfield.

As you will recall, 304 of these claims were contributed by your company and 115 by Atkins Mining Consultants who, accordingly, will receive 25% of the cash consideration.

Future royalties on the initial 304 claims will be divided between Atkins and Min-Ore on a 75% to 25% basis; conversely, royalty payments in respect of the 115 Atkins claims will be distributed 25% to your company and 75% to Atkins Mining Consultants.

Of Min-Ore's share, both in the cash consideration and future royalty receipts, 20% is reserved to cover prospector's interest, due after your company's own investment in the claims has been recovered.

As to the second group of claims staked on behalf of Atlantic Richfield, after accommodating a 5% prospector's interest, royalties, when due, will be shared equally by your company and Atkins.

It is worth noting that if the property covered by the agreement with Atlantic Richfield is brought into production, Min-Ore, without incurring any further costs, will draw substantial revenue from a project which could require an investment of some \$50 million to \$100 million.

It was the effective working arrangement and the excellent co-operation between a major American oil concern like Atlantic Richfield and a small exploration company like Min-Ore, which contributed most to the successful acquisition of this significant acreage in spite of severe competition from American and Canadian mining and oil interests.

We hope that the success of this operation will be a starting point for similar ventures in co-operation with larger exploration companies.

#### **Callander Bay, Ontario:**

You will recall that your company has carried out detailed magnetometer and E.M. surveys, together with limited diamond drilling. Minor columbium mineralization has been indicated in this typical alkaline carbonatite plug. A non-essential portion of the company's holdings in the area was dropped during the current year. Preliminary discussions are underway with a major exploration company with the view of securing its co-operation in an additional program for this project.

#### **Massey Township, Ontario:**

Your directors were unable to re-negotiate the option on the Massey Township uranium prospect, and this property was dropped. However, your company introduced Pax International Mines Limited to the adjoining property, retaining a 15% carried interest for engineering work done.

When McIntyre-Porcupine Limited subsequently optioned your company's former ground from the original vendor to examine a copper prospect, it also optioned the Pax property, paying Pax a deposit. After carrying out a program of diamond drilling, McIntyre dropped the Massey Township property.

#### **Joseph G. Kilgour Grubstake (1968):**

Your company has taken a 3% interest in this grubstake venture in the general areas of Reindeer Lake, Saskatchewan and the Tavani-Kaminak Lake region in the Northwest Territories.

**Ernest J. Rivers — Clement Township Grubstake:**

Min-Ore has earned a 40% interest in this promising grubstake, with a further 40% interest being held by an associated company, Resource Exploration & Development Company Limited. Claims are being staked in an area of potential nickel mineralization, which also includes a number of old gold showings.

**Langmuir Township, Ontario:**

The company's property in this area has been allowed to lapse.

**Tudhope Township, Ontario:**

Min-Ore owns one patented claim on a high-grade copper prospect in this area. No work was done on this property during the period covered by the report.

**Kidd Township, Ontario:**

No work is contemplated on this property until such time as encouragement from efforts on nearby properties may justify deep exploration.

**Pax International Mines Limited:**

Min-Ore Mines Limited was instrumental in introducing a new molybdenum and a uranium prospect to Pax International Mines Limited, a company in which it holds a substantial share interest. If these properties are acquired, a proposal concerning a reorganization of that company will be submitted to The Toronto Stock Exchange and to the shareholders of Pax.

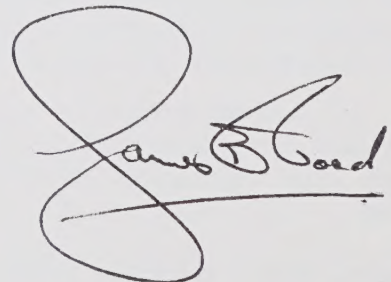
To assist in the refinancing of Pax, Min-Ore may reduce its shareholdings in that company, but expects to remain its largest single shareholder.

**Marshall Lake Mines Limited:**

Your company is endeavouring to collect \$40,500 for shares in Marshall Lake Mines, formerly held by it, which were to be sold pursuant to an agreement. Legal action will be taken if necessary and the company's solicitors consider that Min-Ore has an enforceable claim.

Your company does not anticipate any need for additional financing at the present time. Its working capital has been increased through the Atlantic Richfield deal, and with the anticipated proceeds of the sale of certain investments, Min-Ore will be in a position to take advantage of any favourable situations in the field of mineral exploration.

On behalf of the Board,

A handwritten signature in dark ink, appearing to read "James B. Goad". The signature is stylized with a large, looping initial "J" and a horizontal line extending from the end.

JAMES B. GOAD,  
President.

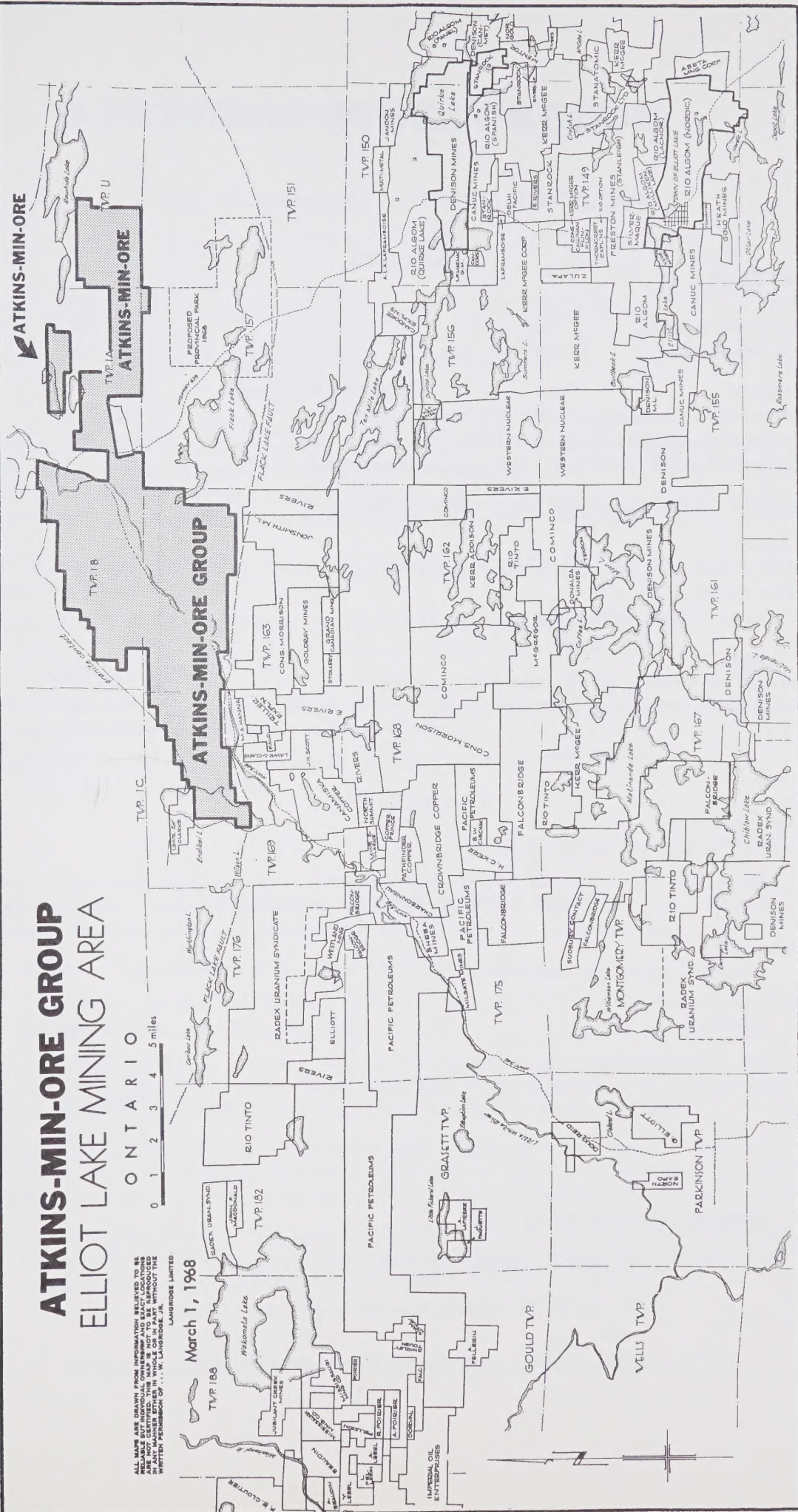
June 25, 1968.



**ATKINS-MIN-ORE**

ALL MAPS ARE DRAWN FROM INFORMATION BELIEVED TO BE RELIABLE BUT INDIVIDUAL OWNERSHIP AND EXACT LOCATIONS ARE NOT CERTIFIED. THIS MAP IS NOT TO BE REPRODUCED IN ANY MANNER EITHER IN WHOLE OR IN PART WITHOUT THE WRITTEN PERMISSION OF . . . W. LANGRIDGE, JR.

# h 1, 1968



# MIN-ORE MINES LIMITED

## BALANCE SHEET — December 31, 1967

### ASSETS

CURRENT ASSETS			
Cash .....	\$	216	
Short term deposit .....		15,000	
Due from broker .....		721	\$ 15,937
<hr/>			
INVESTMENTS			
Shares of Pax International Mines Limited at cost (note 4) .....	\$	482,969	
7% debentures — Pax International Mines Limited at cost .....		800	
Shares of Marshall Lake Mines Limited at nominal value (note 5) ....		1	483,770
<hr/>			
Mortgage loan — Pax International Mines Limited (note 1) .....			51,611
<hr/>			
FIXED ASSETS			
Mining claims and properties (notes 2, 6 and 7) .....	\$	89,201	
Office equipment, at cost .....		1,452	
Prospecting licence, Lake Nipissing (note 3) .....		200	90,853
<hr/>			
OTHER ASSETS			
Deferred exploration and administrative expenses .....	\$	86,155	
Investment in prospecting grubstake .....		1,500	87,655
<hr/>			
			<u>\$ 729,826</u>

### LIABILITIES

CURRENT LIABILITIES			
Accounts payable and accrued expenses .....			\$ 1,278

### SHAREHOLDERS' EQUITY

Capital Stock			
Authorized			
6,000,000 shares par value \$1 each			
Issued			
5,665,000 shares .....	\$	5,665,000	
Less: Discount .....		2,657,582	
<hr/>			
		\$3,007,418	
<hr/>			
DEFICIT .....		2,278,870	728,548
<hr/>			
			<u>\$ 729,826</u>

Approved on behalf of the Board:

JAMES B. GOAD, Director.

W. ROSS DE GEER, Director.

The accompanying notes are an integral part of these financial statements.



# MIN-ORE MINES LIMITED

## NOTES TO FINANCIAL STATEMENTS

December 31, 1967

NOTE 1 — The loan of \$50,000 to Pax International Mines Limited is secured by a mortgage on certain of its mining properties located in the Township of Powell, District of Temiskaming, Ontario and a chattel mortgage covering a mill and certain other chattels located at the properties. Interest on the loan is in default and no interest has been accrued since December 31, 1966.

NOTE 2 — The following is a summary of the mining claims and properties held by the company at December 31, 1967.

159.5 acres in the Township of Kidd, Province of Ontario at a cost of \$30,000 cash and 200,000 shares of the company's capital stock valued by the directors at \$50,000 .....	\$ 80,000
Patented land covering approximately 120 acres in the Townships of Tudhope and James, Province of Ontario, at nominal value .....	1
60% interest in 419 unpatented claims in Townships 163 and 169 near Blind River, Elliot Lake, Ontario .....	9,200
	<u>\$ 89,201</u>

NOTE 3 — Under an agreement dated January 7, 1966 Mr. Carl Palangio and Mr. J. B. Goad assigned to Min-Ore Mines Limited a prospecting licence on part of Callander Bay, Lake Nipissing, Ontario. The main terms and considerations of the assignment are as follows:

- (1) Payment to Mr. Palangio on December 14, 1965 of \$200.
- (2) Expenditure by Min-Ore Mines Limited of up to \$5,000 on an electromagnetic geophysical survey and diamond drilling program.
- (3) If warranted, a private company is to be incorporated to finance the project in which 13.33% of the issued shares will be issued free of charge to Mr. Carl Palangio and 6.67% of the issued shares will be issued free of charge to Mr. J. B. Goad.
- (4) Mr. Carl Palangio and Mr. J. B. Goad or their assigns, agree to option the above 20% of the capital stock of the company to be formed to Min-Ore Mines Limited at any time for 200,000 shares of the capital stock of Min-Ore Mines Limited.
- (5) Min-Ore Mines Limited shall have the right to sell all or part of the Callander Bay Project prior to bringing it into production. In this event the net proceeds after deducting expenditure attributable to the project are divisible as follows:

Mr. Carl Palangio .....	2/9
Mr. J. B. Goad .....	1/9
Min-Ore Mines Limited .....	2/3

## NOTES TO FINANCIAL STATEMENTS (Continued)

- NOTE 4 — As at December 31, 1967 the company held 927,839 free shares of Pax International Mines Limited. The quoted market value at that date was 10¢ per share.
- NOTE 5 — Under an agreement dated March 16, 1966 the company granted an option to purchase all or any part of the 270,000 shares held by the company in Marshall Lake Mines Limited within a period of two years from the date of the agreement at a price of 15¢ per share.
- NOTE 6 — By agreement dated June 5, 1967 with John Hamilton, the company financed the staking of 304 claims in the Elliot Lake area earning an 80% interest therein and holding a 20% interest for the said John Hamilton.
- NOTE 7 — On May 19, 1967 the company entered into an agreement for the pooling of 304 claims in the Elliot Lake area with 115 contiguous claims in the name of Walter Atkins. The main provisions in the agreement are as follows:
- (a) Disbursements or outlays for sales promotion shall be in the proportions Min-Ore 75%, Atkins 25%.
  - (b) All cash received for sale of the claim group shall be divided in the proportions Min-Ore 75%, Atkins 25%.
  - (c) In the event that a royalty or shares are received in respect of an orebody located on Atkins claims it shall be divided Min-Ore 25%, Atkins 75%. Otherwise such royalty or shares be in the proportion Min-Ore 75%, Atkins 25%.



# MIN-ORE MINES LIMITED

## STATEMENT OF DEFICIT

Year Ended December 31, 1967

Balance, December 31, 1966 .....		\$2,203,899
Cost of mining claims in Langmuir Township written off .....		22,566
Exploration expenses on mining claims in Langmuir Township .....		5,419
Cost of May Township options abandoned .....		17,606
Exploration expenditure, May Township .....		31,514
Expenses of Nystedt Copper Prospect examination .....		665
Exploration expenditure, Mount Alwa Australian Tin Grubstake .....		20
		<u>\$2,281,689</u>
Less: Interest earned .....	\$ 1,519	
Miscellaneous income .....	1,300	2,819
		<u>\$2,278,870</u>

## AUDITORS' REPORT

To the Shareholders of  
Min-Ore Mines Limited.

We have examined the balance sheet of Min-Ore Mines Limited as at December 31, 1967 and the statements of deficit and deferred exploration and administrative expenses and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances, with the exception that we have not verified the titles to the company's mining properties.

Subject to the above exception, in our opinion these financial statements present fairly the financial position of the company as at December 31, 1967 and the results of its operations and the source and application of funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HILBORN & COMPANY,  
Chartered Accountants.

Toronto, Ontario,  
May 8, 1968.

# MIN-ORE MINES LIMITED

## STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENSES

Year Ended December 31, 1967

### EXPLORATION

Kidd Township		
Engineers fees .....	\$ 16	
Balance, December 31, 1966 .....	3,373	\$ 3,389
Callander Bay		
Taxes and rentals .....	\$ 950	
Diamond drilling .....	7,132	
Geophysical surveying .....	6,336	
Engineers fees .....	2,166	
Telephone and postage .....	7	
	\$ 16,591	
Balance, December 31, 1966 ..	9,988	26,579
James Township		
Taxes and rentals .....		47
Elliot Lake		
Travelling .....	\$ 302	
Maps and photographs .....	19	321
Havre St. Pierre		
Travelling ..		178
Broken Hill, Australia		
Travelling .....		125
		<u>\$ 30,639</u>

### ADMINISTRATIVE

Audit and accounting ..	\$ 1,775	
General .....	975	
Legal .....	1,797	
Management fees .....	2,400	
Rent .....	360	
Share issue and transfer fees .....	1,851	
Shareholders' information and rights issue .....	6,335	
Telephone and postage .....	375	
Travelling .....	38	
	\$ 15,906	
Balance, December 31, 1966 .....	39,610	55,516
Total, per balance sheet ..		<u>\$ 86,155</u>



# MIN-ORE MINES LIMITED

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year Ended December 31, 1967

### SOURCE OF FUNDS

Sale of investments .....	\$ 5,452
Interest on investments .....	1,519
Miscellaneous income .....	1,300
	<u>\$ 8,271</u>

### APPLICATION OF FUNDS

Exploration expenditures .....	\$ 40,404
Administrative expenditures .....	15,906
Purchase of mining claims .....	9,200
Expenses of Nystedt Copper Prospect examination .....	665
Mount Alwa Australian Tin Grubstake expenditure .....	20
May Township options .....	1,300
Investment in prospecting grubstake .....	1,500
Reclassification of arrears of mortgage interest .....	1,611
	<u>\$ 70,606</u>

Reduction in working capital .....	(\$ 62,335)
Working capital, December 31, 1966 .....	76,994
Working capital, December 31, 1967 .....	<u>\$ 14,659</u>









**MIN-ORE MINES**  
**LIMITED**

**SUITE 1408 - 7 KING STREET EAST  
TORONTO**